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Submitted via electronic email

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

The Secretary
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Dear Sirs:

Re: CSA Consultation Paper 51-404 *Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*

This letter is the response of the [Canadian Accounting Standards Board](http://www.frascanada.ca) to the Canadian Securities Administrators' (CSA) Consultation Paper 51-404, "Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers", issued in April 2017.

At its meeting of June 27, 2017, our [User Advisory Council](http://www.frascanada.ca) provided feedback orally to the CSA staff on the Consultation Paper. This letter does not repeat the Council members' comments from that meeting.

Our views

We strongly support this CSA initiative to reduce the regulatory burden on reporting issuers. All participants in the financial reporting process, including standard setters and regulators, have a role to play in responding to concerns about the benefits derived from reporting requirements compared with the associated compliance costs.

A common concern we hear in our outreach activities is the existence of overlapping disclosures between documents such as management's discussion and analysis, the annual information form and financial statements. Some examples would be risk and management compensation disclosures. Overlapping disclosure requirements can present challenges for preparers, in particular smaller entities with fewer technical accounting and legal resources. Such requirements can also work against standard setters' and regulators' shared goal of quality disclosures that provide users with relevant, concise and clear information. To assist preparers and achieve the desired reporting outcome, we encourage the CSA to consider whether existing IFRS disclosure requirements in an area meet its regulatory objective, and, if they do not, to explain why when establishing its own requirements. Similar consideration should be given when setting regulatory requirements for Canadian reporting issuers that are permitted to file using U.S. GAAP.

The Consultation Paper suggests that the CSA is considering consolidating various documents into one filing document. We are in favour of exploring this option as it could be beneficial to the financial reporting community. A consolidated document could help ensure that information provided to users is presented in a cohesive manner. However, we note that this option could also have operational and assurance-related implications that would need to be taken into consideration if pursued. Potential implications could include added time pressure on preparers when filing a consolidated document and questions about the extent of information covered by an audit opinion.

Publicly accountable enterprises in Canada operate in a North American and, increasingly, a global environment. For this sector, we adopted IFRS Standards and given the frequency of cross-border initiatives, some publicly accountable enterprises that are dual-listed apply U.S. GAAP (as permitted by Canadian securities regulations). The International Accounting Standards Board and the U.S. Financial Accounting Standards Board each have projects on their technical agenda aimed at improving financial statement presentation and disclosures. The goal is to increase understandability and strive for better communication in financial reporting. We would encourage any changes proposed by the CSA to have similar objectives.

We strongly support the development of standards and regulations that improve the quality of information reported by Canadian publicly accountable enterprises and see the CSA's work as another key initiative in support of that goal. Working together, we can enable Canadian reporting issuers to continue providing relevant information to both domestic and global market participants.

We would be pleased to elaborate on our comments in more detail if you require. If so, please contact me or, alternatively, Rebecca Villmann, Director, Accounting Standards (+1 416 204-3464 or email rvillmann@cpacanada.ca) or Davina Tam, Principal, Accounting Standards (+1 416 204-3514 or dtam@cpacanada.ca).

Yours truly,



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About the Canadian Accounting Standards Board

We are an independent body with the legal authority to establish accounting standards for use by all Canadian publicly accountable enterprises, private enterprises, not-for-profit organizations and pension plans in the private sector. We are comprised of a full-time Chair and volunteer members from a variety of backgrounds, including financial statement users, preparers, auditors and academics; a full-time staff complement supports our work.

Our standards

We have adopted IFRS® Standards as issued by the IASB for publicly accountable enterprises. Canadian securities legislation permits the use of U.S. GAAP in place of IFRS Standards in certain circumstances. We support a shared goal among global standard setters of high-quality accounting standards that result in comparable financial reporting outcomes regardless of the GAAP framework applied.

We developed separate sets of accounting standards for private enterprises, not-for-profit organizations and pension plans. Pension plans are required to use the applicable set of standards. Private enterprises and not-for-profit organizations can elect to apply either the set of standards developed for them, or IFRS Standards as applied by publicly accountable enterprises.

Our role vis-à-vis IFRS

Our responsibility to establish Canadian GAAP necessitates an endorsement process for IFRS Standards. We evaluate and rely on the integrity of the IASB's due process as a whole, and monitor its application in practice. In addition, we perform our own due process activities for each new or amended IFRS Standard to ensure that the standard is appropriate for application in Canada. We reach out to Canadians on the IASB's proposals to understand and consider their views before deciding whether to endorse a final IFRS Standard. A final standard is available for use in Canada only after we have endorsed it as Canadian GAAP.